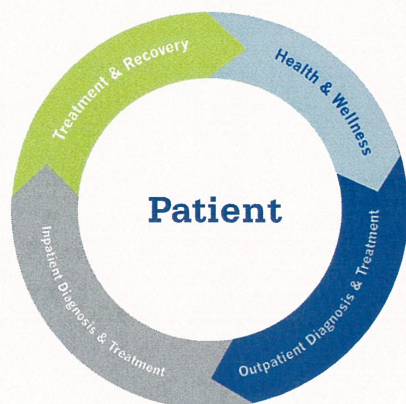


PACE Healthcare Management is leading the evolution of healthcare delivery with the development of an advanced regional collaborative healthcare model for comprehensive, high quality post-acute patient care that is scalable to market size. In partnership with short-term acute care hospitals in the region, this model is designed to significantly improve outcomes by providing the right care for each patient based upon their clinical needs. Our integrated collaborative approach will ensure high patient occupancy rates, efficient delivery of medical services and will serve as the prototype for the future development of post-acute medical facilities.



PACE Healthcare Commons in Bluffton, S.C.: A strategically located, streamlined, collaborative medical complex with four licensed facilities on the same campus.

The region's first 'Medical Mall' concept will include:

- 32-bed Long-Term Acute Care Hospital (LTACH)
- 22-bed Geriatric Psychiatric Hospital
- 24-bed Acute Inpatient Rehabilitation Hospital
- 120-bed Skilled Nursing Facility with Sub-Acute Care Unit
- 60-bed Assisted Living Facility (Phase II – no license required)
- Future plans for medical office building and medical retail, plus a pedestrian walking mall area

Delivery of High Quality, Evidence-Based Care Management Across the Continuum:

Designed to deliver value to investors and other community constituents with sustainable economic impact by:

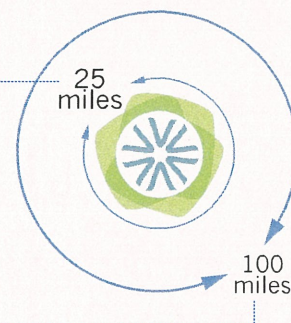
- Ensuring high bed utilization and occupancy rates based on statistical need
- Working closely with short-term acute care hospital partners and community agencies
- Providing quality, state-of-the-art post-acute care you can't find anywhere else
- Economies of scale in clinical and ancillary services
- Cost structure allows for replication in large or small markets

Designed to deliver value to local physicians and healthcare providers by:

- Leveraging a strong market for comprehensive post-acute healthcare services that will complement the discharge needs of short-term acute care hospitals in the Greater Hilton Head – Bluffton & Savannah, GA MSA.

Primary Service Area (within 25 miles):
66,000 patient discharges from five primary referring hospitals, comprising nearly 1,500 acute care beds.*

Secondary Service Area (within 100 miles):
19,000 patient discharges from four secondary acute care hospitals, comprising nearly 1,400 acute care beds.*



**Based on 2008 data from the American Hospital Directory (AHD)*

Features/Benefits

- High bed utilization and occupancy rates based on statistical need
- Works closely with short-term acute care hospital partners and community agencies
- Provides quality, state-of-the-art post-acute care you can't find anywhere else
- The PACE concept is scalable to market size due to the economies of scale from shared overhead

WHAT IS "ACUTE CARE"?

Acute care refers to health care provided for a life threatening condition. It often involves intensive care services.

WHAT IS "POST-ACUTE CARE" AND WHAT IS ITS FUNCTION?

The type of care provided after a period of acute care is known as post-acute care. The function of post-acute care is to provide for the medical and emotional needs of people who are well enough to be out of a traditional hospital setting, but not well enough to return home.

WHY NOT KEEP THE PATIENT IN THE ACUTE CARE HOSPITAL UNTIL THEY CAN GO HOME?

Acute care hospitals must discharge patients when they are medically stable. Rehabilitation hospitals, Long-Term Acute Care hospitals, Geriatric Psychiatric hospitals, and Skilled Nursing Facilities offer specialized programming to address their additional needs.

DOES POST-ACUTE CARE REDUCE THE COST OF HEALTHCARE?

Yes. By placing the patient in the appropriate level of care, the patient receives the right care in the lowest cost venue. When rehabilitation is initiated as early as possible, the patient has a greater probability of recovery to the highest level of function. This significantly reduces the chance of readmission and relapse, lowering the cost of care.

WHERE DO PATIENTS GO FOR CARE NOW?

Most patients from this area receive Long-Term Acute Care, Rehabilitation and Geriatric Psychiatric Care in Savannah or Charleston. The family burden is far greater in this region due to the need to travel for services, or simply no access to the appropriate care.

WHAT IS DIFFERENT ABOUT PACE?

PACE puts quality first, focusing on exceptional patient outcomes based on Evidence-Based Medicine. Quality is further enhanced by our state-of-the-art facility design coupled with proprietary information systems, enabling staff to provide superior care to patients and their families.

WHAT IS HAPPENING TO REIMBURSEMENT IN POST-ACUTE CARE?

The federal government, through the Medicare program, is developing regulations aimed at "bundling" the payment for all post-acute services. This places PACE at a distinct competitive advantage by offering a continuum of post-acute care services on the same campus.

WHY DO HEALTHCARE COSTS CONTINUE TO RISE SO DRAMATICALLY?

There are many variables and complexities driving healthcare costs. Technological advances that allow complicated procedures to be performed at a high rate of success are improving survivability rates so that patients who might have died from a heart attack, stroke or catastrophic illness are now surviving and recovering. Couple that with the aging population making use of more expensive technology and one can see how costs will continue to increase.

HOW DOES PACE WORK WITH ACUTE CARE HOSPITALS?

As acute care hospitals look for partners in post-acute due to bundling of charges, PACE will be uniquely positioned to provide both lower costs and higher quality of care. By combining most of our rehabilitative services on one campus, we can significantly reduce the cost of care. Through one intake system, our focus is getting the right patient into the right bed at the right time in their recovery.

WHY IN BLUFFTON, S.C.?

We believe that Bluffton, S.C. is a perfect location between major metropolitan centers and a growing retirement community. PACE's services complement the acute care services offered by our partner hospitals and the facilities are centrally located to them all.

WHO REFERS PATIENTS TO PACE?

Physicians can refer patients to the acute care facilities at PACE. Patients who are at home or in an assisted living or skilled nursing facility, can be referred to our skilled nursing facility by a physician or family member.

HOW IS CARE PAID FOR AT PACE?

PACE will be a participating provider with Medicare, Medicaid and most commercial health insurance plans.



PACE Healthcare
MANAGEMENT

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